Powerloom Industry affected by hike in Excise duty

2934. SHRI THANGA TAMIL SELVAN: Will the Minister of TEXTILES be pleased to state:

(a) whether Government is aware that Ten per cent hike in Excise duty is very much affected the powerloom industry as a whole resulting in unemployment of weavers and revenue loss for Government;

(b) whether Government is also aware of the ongoing strike of the powerloom industries;

(c) if so, the steps proposed by Government to save the powerloom industries from the present crisis and to save the poor weavers from unemployment; and

(d) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL): (a) to (c) In the Budget 2003-04 CENVAT chain has been completed by abolishing all exemptions except for genuinely disadvantaged sectors such as Khadi, hand processing without use of power, handloom, silk etc. The CENVAT chain has been completed to check duty evasion and to ensure a level playing field among various segments of the textile industry. Since all categories of yarn are already under the excise net, imposition of 10% excise on the grey woven powerloom industry would not have any major effect on this sector. However, some of the powerloom units have stopped production in major powerloom clusters demanding roll back to the earlier regime.

Realising the difficulties in compliance, the Government after detailed consultations with the powerloom industry, has prescribed a very simplified excise procedure for the textile sector. Government has also announced a powerloom package to stimulate modernisation and growth of this sector. It is expected that the completion of CENVAT chain would attract more investment and technological upgradation leading to creation of large employment opportunities.

Handicraft Development Centres

2935. MISS MABEL REBELLO: Will the Minister of TEXTILES be pleased to state:

(a) the amount allocated for the Handicraft Development Centres for the last three years, State-wise;